

Our ref: VM/RH/Dev300924  
Date: 30 September 2024

Rt Hon Angela Rayner MP  
Deputy Prime Minister and Secretary of State  
for Housing, Communities and Local  
Government  
2 Marsham Street  
London  
SW1P 4DF

**Richard Hicks – Chief Executive**  
Medway Council  
Gun Wharf  
Dock Road  
Chatham  
Kent  
ME4 4TR

Email: [richard.hicks@medway.gov.uk](mailto:richard.hicks@medway.gov.uk)

Dear Deputy Prime Minister,

### **The next steps to devolution**

Thank you for your invitation of 16 July 2024 to partner with Government to deliver a new programme of devolution. We welcome your new drive to deliver this programme and are delighted to submit our Expression of Interest to enter into further discussions with your team.

Like you, we believe that devolution offers important opportunities that will bring decision making closer to the local people, communities and businesses of Medway and enable more effective, better targeted public services, greater growth and strengthen even further the already well-established partnerships between the excellent range of public, private and community leaders that we have locally.

We know that Government wants to restore people's faith and trust in politics and believe that the best place to start to mend that relationship is through local government which, alongside the NHS, is the institution through which people have their most direct relationship with the state.

We believe there is a compelling case for a devolution deal for the approximately 2 million residents across the regions of Kent and Medway, but we wanted to set out the view from Medway's own perspective too.

### **About Medway**

A unitary authority in the southeast of England, Medway Council brings together the historically significant towns of Chatham, Rochester, Gillingham, Rainham and Strood with a number of smaller towns and villages, rural areas and strategically important grassland, woodlands and estuary areas all linked by the River Medway. With more than 285,000 residents and forecast to grow to over 320,000 by 2040, Medway is the largest conurbation in the southeast outside London with an economy worth £5.9bn. However, Medway also ranks as the 103<sup>rd</sup> most deprived local authority in the country for income deprivation.

## **Preferred options for a devolution model within Kent and Medway**

We believe that the opportunity to widen devolution to more regions will offer opportunities to unlock significant economic benefits and drive growth in this geographically significant area of the country, being one of the principal gateways to the country and critical economic sub-regions in the UK with a GVA of £43.9billion. There is a broad consensus, building on the many strategic partnerships in place between our two regional authorities, with a track record of effective public service delivery over many years.

Furthermore, effective strategic arrangements also bring Medway as a unitary, the county council and the 12 district, borough and city councils to work together under the leadership of a Kent Leaders Group and Kent Chief Executive Group on issues relating to the county as a whole, on issues such as integrated transport, immigration and resilience.

There is a strong track record of coterminous delivery across the Kent and Medway area with other public sector networks including the NHS, Kent Police and Kent Fire and Rescue. Likewise, the SELEP arrangements have included both Kent and Medway, and DMO organisations such as Locate in Kent and Visit Kent have sought to promote Kent as an ideal location for inward investment for many years.

We have watched with interest the development of the different models of devolution to date and would like to explore with you the options to broaden that further. The significant success and track record of effective delivery across Kent and Medway through existing organisational structures could offer a very exciting new opportunity to explore devolution of powers and funding to these operational structures without incurring the creation and expense of an additional layer of a new devolved authority body and directly elected mayor.

At a regional level we have successfully rotated leadership of representative bodies such as our Kent Leaders Group and the Integrated Care Partnership and believe this could equally extend to effective regional representation at the Council of Regions and Nations.

However, if this is a non-negotiable part of enabling our regions to access the full benefits offered by devolution then we would of course be open to further discussion and look forward to the detail becoming available in the upcoming legislative programme.

### **Medway Council**

Medway Council welcomes the new approach from government to devolution and we also believe this is the right time for a fundamental resetting of the relationship between central and local government to help rebuild trust.

We want to build a relationship based on mutual respect and collaboration, and urge that local government is part of the solution to some of the challenges we all face, as well as supporting the mission-led government at a national level. We know our local areas well, along with the needs of our communities and can be trusted with additional powers and freedoms to deliver for local people.

The significant (structural) financial challenges facing almost every local authority, particularly those upper tier authorities delivering Adult and Children's Social Care and SEND services, is well documented and we were grateful for the support provided through Exceptional Financial Support agreed earlier this year. It has enabled us to embark on a programme of investment to drive improvement into the way we deliver our services and to help tackle our immediate financial challenges.

However, historic underfunding of local authorities such as Medway and structural financial inequality of treatment, paired with the ever-increasing demand for our services means that we will be challenged to balance our budget this year and for the next financial year are already anticipating a shortfall of around £28million, assuming Exceptional Financial Support continues into 2025-26. We would welcome early confirmation of the future arrangements around Exceptional Financial Support to enable us to plan into the medium term.

Furthermore, the lack of longer-term financial certainty and the current system of single year settlements hinders our ability to invest for the long term and the government's commitment to move to multiyear settlements in due course is very welcome, recognising the likely need for an emergency one-year settlement this year. Greater long term financial certainty and control over our local powers and financial arrangements will enable us to better plan and invest for the longer term to ensure the best outcomes for our residents, businesses and communities of Medway and make our area a great place to live, work, learn and visit.

We pride ourselves on being One Medway – local government, public sector partners, businesses, community organisations and residents – all working together for a better future for Medway. We would like to extend that partnership to central government and see a similar approach across government, ensuring that different arms of government and statutory consultees, sometimes with conflicting agendas, do not inhibit progress towards our shared ambitions.

The key areas where Medway would benefit from devolution and additional financial support include:

#### *Local Government funding*

In addition to the funding arrangements mentioned above, we would ask in this year's budget local authorities be granted greater freedoms over council tax, including the ability to raise the referendum threshold. We would welcome the ability to retain business rates and additional revenue-generating freedoms.

The ability to stimulate local growth and address entrenched social problems such as rough sleeping is severely hampered by the provision of short-term grants with cliff edge end dates whose effect is therefore limited by cut off dates. In Medway we have succeeded in providing much needed support to the most vulnerable in our communities through the Household Support Fund for example feeding thousands of our children during holiday periods and providing a financial lifeline during this ongoing cost of living crisis. Next March funding ends for our Domestic Abuse Services, Rough Sleeping Services and additional homelessness prevention funding totalling £2m for Medway -

these are front line services, supporting the most vulnerable, and will simply not continue if they are unfunded. A longer-term structural approach to such initiatives would help us plan for the future and invest in much needed projects such as a hostel for the homeless as we work to find them longer term accommodation.

### *Health and Social Care*

We welcome Lord Darzi's report into the NHS and agree with many of his findings.

Preventative action for good health and wellbeing is one of Medway Council's key priorities. Through our children's and adult social care services as well as our public health programme using innovative solutions, we aim through early intervention to avoid expensive and avoidable calls on our NHS and social care services, but we can only do this with clarity on our long term funding situation.

Fixing the NHS for the long term must include fixing social care at the same time if the goal to move from hospital care to community care is to be met. We ask you to urgently tackle through legislation the excessive charges by private adult and children's social care and temporary accommodation providers that impose an unsustainable burden on public sector costs.

We also would welcome a commitment to greater long term clarity on our future Public Health grant to help us plan programmes better in advance to help us address long term health issues and trends that take longer than a year to address.

### *Housing and infrastructure*

We welcome the Government's commitment to drive up the building of new homes in Britain. New incentives for first time buyers would particularly help kickstart the market.

Medway has an ambitious regeneration programme and major housebuilding drive underway, but we urge you to lead with an "infrastructure first" approach and provide access to funding for associated investment. The loss in 2023 of Medway's £170 million infrastructure funding to support the delivery of 12,000 new homes on the Hoo peninsula has materially impacted our ability to deliver against our required housing targets.

Medway is committed to a social housing build programme, and we welcome this emphasis from government too. We have recently embarked on an ambitious £42m investment programme tackling the rising costs of temporary accommodation, including buying approximately 150 properties and are setting up our own social letting agency to help prevent the need for access to temporary accommodation in the first place.

We would also ask you to review subsidy arrangements for temporary accommodation and raise them to a minimum of Local Housing Allowance for private nightly paid accommodation and would propose an urgent review of the allocation of the Homelessness Prevention Grant to ensure housing authorities are able to continue to meet their statutory obligations.

We would welcome a review of the impact of private temporary accommodation providers operating in local areas and the systemic impact this has on entrenching homelessness and restricting the local housing market.

We would also welcome the introduction of a national notification system for all placements made into Local Authority areas to assist in the strategic delivery of local services, but also to build a national picture of the scale of out of area placements.

### *Growth*

We welcome your proposals for a new national Industrial Strategy – backing identified sectors for growth and productivity. We would like to see the establishment of a cross-Government Board to unlock specific development issues to support growth.

Skills development remains a major structural challenge, and we would like to see Skills England given the funding to deliver greater investment into skills training to give young people greater opportunities in life.

We would also like to see local government given greater powers for intervention in our high streets to make them better places to live, work and enjoy.

We would welcome new long term funding supporting Brownfield Infrastructure and would encourage government to build on the success of the Shared Prosperity Fund, as Lauren Edwards, MP outlined in her recent adjournment debate.

### *Transport*

We believe there is a powerful case for the devolution of transport powers to the two Kent regions. Not only is there a need for a more joined up approach to transport planning across our two regions given the critical importance of the area as a key gateway to Britain, but the woeful lack of funding for essential and now critical road maintenance across Medway has resulted in a backlog with a cost of £50million. Medway Council is responsible for maintaining more than 820 kilometres of roads across our region. We are also responsible for the maintenance of the Medway Tunnel, a vital piece of the transport infrastructure for the South East, and have repeatedly called on the government for appropriate funding to maintain the tunnel, or for it to be re-designated to National Highways responsibility.

### **Resetting the relationship with local government**

We would welcome an early dialogue with you and ministers and extend a warm invitation to visit Medway in the near future to hear our plans, see how we are delivering services in partnership and to explore how some of these options might be delivered through greater partnership arrangements and devolution to ensure the long term future of effective local government.

Thank you again for your invitation to submit an EOI, and we look forward to discussing this further with you.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Vince Maple', written in a cursive style.

**Councillor Vince Maple  
Leader of the Council**

A handwritten signature in black ink, appearing to be 'Richard Hicks', written in a cursive style.

**Richard Hicks  
Chief Executive**